



Iowa Department of Human Services

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INFORMATIONAL LETTER NO.1652-MC

DATE: March 30, 2016

TO: Iowa Medicaid Hospitals and Managed Care Organizations (MCOs)

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: Billing for Hospital Services

EFFECTIVE: Immediately

DHS will be transitioning most Medicaid members to a new managed care program, called IA Health Link, on April 1, 2016.

The IME wishes to clarify how acute hospital care services should be submitted for services rendered prior to April 1, 2016, and thereafter.

Inpatient Services

Beginning April 1, 2016, all claims for services provided for MCO-enrolled members on or after April 1, 2016, must be submitted directly to the appropriate MCO, adhering to each of the MCO's claims submission and timeliness guidelines. The IME has directed that the MCO provider agreements require providers to submit claims within 180 days of the date of service if third party liability is not involved.

In most cases, acute inpatient admissions for hospital services prior to April 1, 2016, with a discharge after April 1, 2016, will be the responsibility of the IME up to 60 days. MCOs are responsible for admission dates on or after April 1, 2016. Acute inpatient admissions for hospital services occurring on or before March 31, 2016, that exceed 60 days will be split billed with the initial span submitted to the IME and the remaining days submitted to the applicable MCO.

The responsibility of the IME for admission dates on or before March 31, 2016, extends to claims where the IME is secondary and crossover claims from Medicare and/or Medicare HMOs.

Outpatient Observation

In situations where the member is direct admitted for observation on or before March 31, 2016, and discharged on or after April 1, 2016, the outpatient claim should be submitted for the full date span to the IME as outlined in Informational Letter [1042](#)¹ issued on August 22, 2011.

If you have any questions please contact the IME Provider Services Unit at 1-800-338-7909 or email at IMEproviderservices@dhs.state.ia.us.

¹ https://dhs.iowa.gov/sites/default/files/1042_ObservationCareServices.pdf